

**G15 Response – January 2010**

**1. Introduction**

1.1 G15 is a group of London housing associations and comprises:

A2 Dominion Group	Metropolitan Housing Trust
Affinity Sutton	Notting Hill Housing
AmicusHorizon Group	Network Housing Group
Catalyst Housing Group	Peabody
Circle Anglia	Southern Housing Group
East Thames Group	The Hyde Group
Family Mosaic	The L&Q Group
Genesis Group	

G15 makes a significant contribution to London life. Collectively, G15 associations house around one in ten Londoners and manage around 410,000 homes. We build 14,000–15,000 new homes every year. We invest over £25m annually in economic and community development to create thriving, sustainable neighbourhoods across the capital – in areas such as employment, skills, education, health and well-being, volunteering, financial inclusion, family intervention, welfare benefits support, supporting older and vulnerable people and engaging younger people.

1.2 This document provides a response from G15 to the Mayor’s London Plan – consultation draft replacement plan (“The Plan”) and builds on our comments on the earlier proposals. The Plan provides a policy framework for the Mayor’s London Housing Strategy; G15 has submitted a response to this strategy and this document reflects a number of these comments.

**2. Summary of Key Points**

2.1 We support the Mayor’s overall vision for a London that excels among global cities - expanding opportunities for all its peoples and enterprises, achieving the highest environmental standards and quality of life and leading the world in its approach to tackling the urban challenges of the 21<sup>st</sup> Century.

2.2 Housing is central to the delivery of many of the Plan’s key objectives around meeting the challenges of growth; creating strong and sustainable communities; tackling climate change; and remaining internationally competitive and successful. It can provide a sound platform for Londoners to access the wealth of opportunities available in the capital.

2.3 G15 associations have a key role to play in delivery of much-needed new affordable homes in the capital. We have, over a number of years, delivered large-scale building programmes and built up an in-depth knowledge of local areas. In a difficult economic climate, housing associations have been the only delivery mechanism of affordable housing. We have the resources,

access to finance and skills to continue to do this and to move quickly. G15 organisations have a good history of working with local authorities across London and we look forward to continuing and expanding our partnerships.

- 2.4 The Plan sets out the aim of providing “an average of at least 13,200 more affordable homes per year in London over the term”. We contend this target is not sufficient or ambitious enough. There is significant unmet demand for affordable homes in the capital and increasing the supply is of vital importance to London, to achieve many of the Plan’s aims around enhancing life-chances and London retaining its status as a world-class city.

The economic downturn has exposed the frailties of the ‘traditional’ model for delivering and funding affordable housing and has raised a number of questions around future models, particularly in times of reduced public spending, as forecast for the early part of the period of the Plan. We maintain that new and innovative models of delivery and funding are required to achieve the required levels of affordable homes. We would like to see a rebalanced ‘funding equation’ between grant, rents and personal subsidy through the benefits system to support increased future housing supply. A new model could be founded on:

- Stimulating new, intermediate rent housing which offers a range of rents to people on different incomes (affordable housing at a range of price points) – helping to create balanced, sustainable communities.
- Stronger alternatives to owner occupation and a more flexible tenure offer which enables people to switch as their circumstances change (backed up by better housing options advice)
- A more sensitive allocations system that enables the most vulnerable people to be housed alongside others in more balanced and sustainable communities. It should also support geographic and social mobility.
- Increased flexibility on rents – control over rents is a barrier to associations providing the flexibility that the market is looking for.
- Responsible lending to the sector.

Offering a richer menu of housing options would bring more money into the system and allow public investment to go further, as well as providing more choice and help to a wider range of people.

- 2.5 We support the Mayor’s aims of providing the adaptability, accessibility and flexibility for 21<sup>st</sup> Century living and high quality design standards to support this. We are keen, however, to see a ‘level playing field’, where all private developers and housing associations are required to meet the same standards in the same timeframes. Applying different standards to grant funded homes could have detrimental implications for mixed and balanced communities and mean that housing associations would not be able to compete on land and development opportunities.

### **3. Chapter 3: London's People**

#### **Policy 3.1: Ensuring equal life chances for all**

- 3.1 The Mayor's data shows that London will continue to see significant population growth to 2031. The composition will also change and result in greater proportions of younger and older people; more diversified communities; a larger number of single-person households; and persistent problems of disadvantage and inequality. G15 associations are committed to improving the life chances and opportunities of people living in our communities and the provision of sufficient and appropriate housing, as well as physical and social infrastructure, is fundamental to this. We have a strong track record in this field.

#### **Policy 3.2: Addressing Health Inequalities**

- 3.2 We welcome the focus on reducing health inequalities and the recognition of the link between housing and health. We support the Plan's aim of creating a policy framework to enable Londoners to live in homes that are well-designed, of high-quality, appropriately sized, energy-efficient, warm and dry, safe, provide good access to high-quality social infrastructure and green spaces and limit disturbance from noise or exposure to poor air quality. We would stress that these criteria apply just as much to existing homes as to designs for new housing or regeneration.
- 3.3 G15 associations are playing a key role in delivering programmes aimed at tackling health inequalities and improving the physical and mental well-being of communities across London.

#### **Policy 3.3: Housing Supply**

- 3.4 We welcome the Mayor's focus on increasing the housing supply, but note that the provision of "at least an annual average of 33,400 homes across London" (Policy 3.3A) is at the bottom end of the London housing supply range set out by the National Housing and Planning Advisory Unit (33,100-44,700). We suggest that, in the light of forecast demographic changes and the current shortfall in supply, this is not sufficient. The mismatch between housing supply and demand impacts on affordability and this has significant impact on the life chances of many Londoners.
- 3.5 As recent experience shows, economic conditions change rapidly and we would encourage the Mayor to critically review progress and targets on a more regular basis (before 2015/16), allowing corrective action to be taken if required (Policy 3.3B)

#### **Policy 3.4: Optimising Housing Potential**

- 3.6 We would urge caution around the use of "habitable rooms" (Table 2 – Density Matrix) as a measure of density for determining the optimum potential of sites. The impact on the community and the environment (e.g. level of car ownership, demand for local facilities and services, waste produced)

generated by new residential development is more closely linked to the number of people residing rather than the number of units or habitable rooms.

### **Policy 3.5: Quality and Design of Housing Developments**

- 3.7 We welcome the requirement that housing developments should be of the highest quality internally, externally and in relation to their context and to the wider environment.
- 3.8 We support the Mayor's aims of providing the adaptability, accessibility and flexibility for 21<sup>st</sup> Century living and high quality design standards to support this. We are keen, however, to see a 'level playing field', where all private developers and housing associations are required to meet the same standards in the same timeframes. As we set out in our response to the draft London Housing Design Guide, we believe it is vital that any design standards are applied, to all new developments, regardless of tenure. We would be concerned if different standards were required for grant funded homes. Applying different standards to grant funded homes could have detrimental implications for mixed and balanced communities and mean that housing associations would not be able to compete on land and development opportunities.
- 3.9 We note the Mayor's intention to produce a new housing Supplementary Planning Guide, covering quality and design of housing developments across all tenures (3.31-3.33). In London we already have a plethora of existing local authority design guide standards many of which are adopted policy, in addition to Lifetime Homes, CSH and Building Regulations. Some of these already conflict, and there is a risk that further guidelines may create further confusion and delays through the planning process. Any further Guide should be flexible enough to complement not conflict with existing standards and funding requirements. We would like to see simplification and integration in this area.
- 3.10 Whilst we support the Mayor's aspiration to improve the quality and design of London's dwellings and neighbourhoods, we have concerns that new standards (relating to both homes and surrounding neighbourhoods) will increase costs and, unless grant levels increase, jeopardise the delivery of much-needed new homes.
- 3.11 We would encourage the Mayor's team to engage in further debate with the sector around standards.

### **Policy 3.6: Children and young people's play and informal recreation facilities**

- 3.12 We support the aim of ensuring that children and young people have safe access to good quality, well-designed, secure and stimulating play and informal recreation areas. We would however highlight the importance of ongoing management to the success of such areas. Where suitable off-site play and informal recreation facilities are available nearby, on-site provision

may not be necessary. The strength of housing associations is that we are committed to the management of communities for the long term.

### **Policy 3.8: Housing Choice**

- 3.13 We agree that Londoners should have a genuine choice of homes that they can afford and meet their requirements. We welcome the commitment to provide more family-sized homes. The Plan could usefully re-iterate the commitment in the Mayor's draft Housing Strategy for 42% of new social rented and 16% of intermediate homes to have three bedrooms or more. Plans should also recognise funding challenges and how other forecast changes in demographics, such as an increase in the number of lone-person households, might be addressed.
- 3.14 We welcome the commitment to provide more homes meeting the access, space and adaptability needs of disabled and older people, particularly in view of demographic trends. We would ask the Mayor to clarify how these might be funded and to provide a financial commitment to assist organisations in making necessary adaptations. We would like to see additional reference to plans for delivering and funding housing and supporting services for particularly vulnerable or more challenging sections of London's population.

### **Policy 3.10: Mixed and Balanced Communities**

- 3.15 We support the aim of creating economically diverse and sustainable communities, but believe that a more radical view of delivery is required to achieve the Plan's aims.

As the Plan identifies it is important to avoid any further concentration of social rented housing in areas where there are already high levels. But a combination of a greater tenure mix and sub-market rent mix would encourage a wider cross-section of people into social housing communities, supporting local economic life. This would start to bridge the gap between the social and market sectors, increase social mobility and enable people to move more easily, without losing their community ties. Re-letting processes are, however, current anchored in varied local nomination agreements and this restricts housing associations' ability to create mixed and sustainable communities.

### **Policy 3.12: Affordable Housing Targets**

- 3.16 The Plan sets out the aim of providing "an average of at least 13,200 more affordable homes per year in London over the term". We contend this target is not sufficient or ambitious enough. There is significant unmet demand for affordable homes in the capital and this target will level of provision will not bridge this gap. Increasing the supply of much-needed affordable homes is of vital importance to London – to achieve many of the Plan's aims around enhancing life-chances and, in particular, to accommodate many of the lower income workers vital to the capital's economy and key services and in London retaining its status as a world-class city. The London Strategic Housing Market Assessment sets out an average annual requirement of 18,200

homes. We note the Plan's argument that, as the level of affordable housing funding over the full term is not known and may be insufficient to deliver this number of affordable dwellings, a lower target should be set. The Mayor's Housing Strategy commits to the provision of 50,000 affordable homes (including 30,000 social rented) across London between 2008 and 2011. It is not clear how these targets reconcile and we would urge the Mayor to clarify this.

We ask the Mayor to make the case to government for continued public investment in a framework to create more homes and jobs for Londoners.

3.17 The economic downturn has exposed the frailties of the current model for delivering and funding affordable housing and has raised a number of questions around how it might work in the future, particularly in times of reduced public spending, as forecast for the early part of the period of the Plan. We maintain that new and innovative models of delivery and funding are required to achieve the required levels of affordable homes. As outlined in our response to the Mayor's Housing Strategy, we would like to see a rebalanced 'funding equation' between grant, rents and personal subsidy through the benefits system to support increased future housing supply. A new model should be founded on:

- Stimulating new, intermediate rent housing which offers a range of rents to people on different incomes (affordable housing at a range of price points) – helping to create balanced, sustainable communities.
- Stronger alternatives to owner occupation and a more flexible tenure offer which enables people to switch as their circumstances change (backed up by better housing options advice)
- A more sensitive allocations system that enables the most vulnerable people to be housed alongside others in more balanced and sustainable communities. It should also support geographic and social mobility.
- Responsible lending to the sector.

Offering a richer menu of housing options would bring more money into the system and allow public investment to go further, as well as providing more choice and help to a wider range of people.

3.18 We share the view that a strong intermediate housing market is fundamental to improving options and choice. G15 associations would like to revitalise and mainstream shared ownership as a gateway to home ownership for lower income householders. This involves simplifying options and channels to access and create pathways to ownership for rented tenants, with flexibility to change tenure as personal circumstances change.

3.19 We welcome recognition of the need to further increase the upper household income threshold to £74,000, in recognition of London's unique circumstances, and the commitment to review and update this annually.

3.20 The Plan indicates that Boroughs should set an overall target (expressed in percentage or absolute terms) for the amount of affordable housing needed over the Plan period in their areas and separate targets for social-rented and

intermediate housing. Borough targets have not been specified in the Plan, as they have for overall housing provision. It is therefore not possible to assess whether the geographical spread corresponds to the need or how the overall London target will be delivered. This will also hinder the transparent monitoring of performance against the Plan.

**Policy 3.13: Negotiating affordable housing on individual private residential and mixed use schemes**

- 3.21 We welcome the encouragement to Boroughs to review and bring forward surplus land to maximise their contribution to the provision of affordable housing.

**Policy 3.15: London's Housing Stock**

- 3.22 We welcome the Mayor's support for the maintenance and enhancement of the condition and quality of existing homes. We are concerned at how this work will be funded given potential reductions in public investment in future years.
- 3.23 We welcome the Mayor's recognition of the importance of retrofitting existing homes to meet ambitious carbon reduction targets. This is considered further under 4.8 below. Conservative estimates, worked out by G15 members, to meet carbon reduction targets, sit somewhere between £25-30,000 per property. This figure does not include any additional costs such as disruption to the tenant or the need to temporarily rehouse tenants to carry out more invasive works. We believe that London's social landlords face a bill running into billions of pounds if they are to meet this carbon emissions target. This is over and above their existing planned expenditure on improvements. It is clear that this cannot be delivered without a commitment to provide the necessary long-term financial support and it is unlikely that any housing association has the financial capacity to achieve this without government funding. Increased flexibility on rents would enable associations to meet a greater proportion of this cost. (3.73). This is a challenge that can only be met by powerful partnership working from social landlords, national, regional and local government, utility firms and residents themselves. We would like to see further commitment to engaging and mobilising all partners who need to come together to achieve this.
- 3.24 We support the Mayor's efforts to bring long-term empty homes back into use (3.77)

**Policy 3.17: Protection and Enhancement of Social Infrastructure**

- 3.24 We fully support the protection and enhancement of social infrastructure and recognise the importance of the provision of recreation facilities, health provision and educational establishments to transform an area into more than a place to live. The Plan could usefully refer to the role in of technology in connecting people to their local infrastructure and providing the 'glue' that can bind and strengthen local communities.

#### **4. Chapter 5: London's Response to Climate Change**

##### **Policy 5.2: Minimising Carbon Dioxide Emissions**

- 4.1 We agree with the Mayor's hierarchy of 'lean, clean and green', but believe that greater emphasis needs to be placed on 'lean' i.e. maximising the contribution of the fabric of the building to reduce energy required (both for heating and cooling).
- 4.2 All residential developments of whatever size or tenure should be required to meet all targets for CO2 reductions (in line with Code for Sustainable Homes) as detailed in Policy 5.2C. Failing this, careful consideration should be given to what constitutes a "major development" to ensure that proposed works are not sub-divided or re-classified to avoid this requirement.
- 4.3 On-site generation and renewables on-site - we agree (5.20) that "Overall carbon dioxide emissions reductions should reflect the context of each proposal, taking account of its size, nature, location, accessibility and expected operation", which needs to be reconciled with the blanket requirement (5.43) of all major developments reducing carbon dioxide emissions by at least 20% through the use of on-site renewables. The context of each proposal needs to be considered, rather than a blanket requirement, which is the current practice in London Boroughs, which can be counter-productive and lead to consequences outlined below.
- 4.4 We do not believe that it is practical to require (Policy 5.2E) that carbon dioxide reductions should always be met on-site. We believe that far more emphasis should be placed on the decentralised/sub-regional/neighbourhood-wide networks (including the use of waste for energy), as recommended in Policy 5.5, than on requiring on-site generation, and on-site renewables, for every residential development. Developers of residential developments could be required to make a contribution to these decentralised (and preferably renewable) energy networks, in relation to the energy demand from their scheme and its viability/other S106-type requirements. This is because the on-site regeneration often has other consequences e.g. viability as additional capital costs cannot be covered; maintenance costs for residents, adding to household bills/service charges; and increased transportation, in relation to biomass in particular, which has related CO2 emissions, air quality and quality of life impacts of weekly deliveries by large trucks; and uncertainty of supply.
- 4.5 We agree with Policy 5.4D - that developers should be required to prioritise connection to "existing or planned decentralised energy networks where feasible".
- 4.6 The funding of affordable homes needs to recognise that on-site renewable technologies often result in increased capital costs. There are two scenarios that arise - neither of which enables this additional cost to be covered:
1. The saving in energy bills (e.g. through the instalment of photovoltaic on a single family dwelling), will benefit the household living in the

home, thereby addressing fuel poverty as well as CO2 emissions - both good outcomes. However, the housing association will not be able to use these savings as a reimbursement for the costly capital outlay;

2. It is our experience that biomass/biogas CHP plants, through ESCOs, require significant capital outlay, which the ESCO recoups through a standing charge to the households it is supplying. This standing charge is inevitably higher than a standing charge for a customer on mains supply and as a result the energy bills are only slightly less than a house built to Building Regulations, even if the energy efficiency of the home far surpasses this (e.g. Code for Sustainable Homes Level 4). There is therefore little impact on fuel poverty and the smaller the scheme, the greater the capital outlay per dwelling, which can make the scheme unviable.

- 4.7 A further consequence of on-site generation (either renewable or gas-fired CHP) is that ESCOs are looking for housing associations to take the risk of their tenants not paying their bills. Whereas a large energy provider can cover bad debts across a large customer base, the ability to do this on one-off small, or even large, developments, is limited. The suppliers are therefore looking to off-load this risk, and the housing association as landlord are the obvious target. Housing associations, as not-for-profit housing providers with responsibility to deliver value-for-money housing services to all their residents, should not be put in this position. Care should be taken to ensure that cash in lieu of on-site generation does not become an 'easy option' that deters a more holistic and complex design approach to reduce the energy demand.

#### **Policy 5.4: Retrofitting**

- 4.8 There needs to be more emphasis on the importance of improving energy efficiency of existing building stock in reducing CO2 emissions (5.15 and policy 5.4) and the need for the GLA, local authorities, Registered Social Landlords and central government to work together to explore how this can be achieved in the most cost-effective and efficient (from residents' point of view, in particular) way. This will include consideration of the definition of zero carbon and how this is delivered, as it is expected to include retrofit of existing homes as an 'allowable solution'. This should not simply be reactive, but an integral part of refurbishment programmes.
- 4.9 We agree that water is a precious resource, and will become more so as a result of climate change. We need a sustainable and secure water supply infrastructure as well as ways of reducing demand. We believe more needs to be done to raise awareness of the need to conserve water amongst Londoners and to work with residents in identifying ways to reduce usage and maximise re-use. Our experience, largely anecdotal at this stage, is that in some cases residents will replace water saving devices e.g. low flow showers with standard ones, so water usage is not reduced. We need to work together to look at how demand-side measures can be effectively introduced and maintained.

#### **Policy 5.9: Overheating and Cooling**

- 4.10 We recognise the need to prevent overheating and overcooling and wish to ensure that the power to ensure this and expertise to assess this are present in the Planning Departments who will assess planning submissions.

**Policy 5.18: Construction, excavation and demolition waste**

- 4.11 We suggest that whilst there is opportunity for the use of rail and water transport for construction (Policy 5.18B), there is a lack of existing expertise in how to utilise these opportunities. There is scope for the Mayor's office to provide some mapping of the rail and water infrastructure available to the construction industry, as well as a need to improve awareness and training within the industry.

**5. Chapter 7: London's Living Places and Spaces**

**Policy 7.1: Building London's neighbourhoods and communities**

- 5.1 We agree that people should have the best possible access to services, infrastructure and resources in their neighbourhoods. We would point out that this is equally important in existing communities as in the design of new spaces and buildings.

**Policy 7.3: Secured by Design**

- 5.2 We recognise that design can play an important role in reducing crime, fear of crime and anti-social behaviour. This is one of the most important issues for our tenants and we would emphasise the value of the ongoing management and use of spaces, as well as community investment and activities.

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